

HOME Outline SOP

Project Selection (See *Proposal SOP*)-projects to be funded have to go through the proposal process.

Agency Eligibility (See *Debarment SOP*)-Agencies that participate in a HUD funded project have to be in good standing with HUD.

HOME Project Objective-To expand the supply of decent affordable housing for low and very low income individuals. This objective is met by adhering to the program requirements of one of the following methods:

- Homeowner Rehab
- Homebuyer
- Rental housing
- Tenant Based Rental Assistance

Project Review

- Once a project has been determined to have the objectives required by HUD then the project is viewed in terms of how feasible it is to implement within the designated timeframe by the proposed agency.
- Projects that are more feasible to accomplish are most likely to receive funding.

Financial Management

- Sub-recipients are required to follow 24 CFR Part 84 Administrative requirements for non-profits and 24 CFR 92.508 state the financial management and reporting systems for HOME grant recipients.
- The CD Staff will make sure the requirements have been established that sub-recipients have a financial management system that: (1) Provides accountability for all funds, property, and other assets. (2) Ensures reasonableness, allowance, allocation of costs, and verification that expenses have not violated federal restrictions. (3) Permit the accurate, complete, and timely disclosure of financial results in accordance with reporting requirements of the grantee (City of Evansville) or HUD.

Invoice Process (See *Bid Procurement SOP*)

Project Implementation

- The CD Inspector will perform progress inspections prior to construction to photo where construction will commence, during construction, and after all construction is completed.

- Throughout construction the contractor(s) will submit invoices to the subrecipient/agency for work completed, and the subrecipient/agency will submit those invoice(s) to their CD Specialist to be processed for a draw.
- CD Specialist will also monitoring an agency's building progress to make sure development and financing goes as planned.

Client/Program Records Overview

CD Staff will maintain verifiable records on sub-recipient services. Copies will be available in DMD office on the follows:

- Documentation of HOME client eligibility determination (i.e. Family Income Verification Form(s)).
- Client/staff signatures on eligibility documents.
- Client's previous program year(s) family income recertification and/or income verification.
- Evidence that the best efforts were utilized by the sub-recipient to obtain income documentation verification.
- Documentation of participant's compliance to the affordability period.

Reports for HOME project

- All sub-recipients must submit monthly program and cost reports to their CD Specialist.
- In limited circumstances, sub-recipients may negotiate a different reporting schedule with their CD Specialist (quarterly reporting at a minimum).
- Claims will only be reimbursed upon receipt of financial and program reports.
- Incomplete or late reports will cause delays in reimbursement.
- Failure to comply with reporting requirements is a violation of the Grant Agreement and could result in contract termination.

Review/Site Visits

- During each program year, CD Specialist will conduct a monitoring of each program to ensure compliance with local and federal requirements.
- Sub-recipients will be informed by their CD Specialist of their review date and time.
- Sub-recipient rental units will also be inspected as follows: *1- 4 units-inspected every 3 years, 5-25 units-inspected every 2 years, 26 or more units-inspected yearly*
- Sub-recipients with compliance violations, poor documentation and/or poor program performance will receive a follow up letter outlining recommended corrective actions and a timeline for implementing changes.
- If corrective actions are not addressed within the prescribed period Grant agreements may be terminated.

HOME Project Completion

- All projects require being closed in IDIS/DRGR by the designated CD Specialist upon completion to show all funds were drawn.
- Upon closing a project the affordability period starts and goes as follows:

<u>HOME \$ per Assisted Unit</u>	<u>Length of Affordability/Compliance</u>
Less than \$15,000	5 years
\$15,000-\$40,000	10 years
More than \$40,000	15 years
Refinancing Rental Housing	15 years
Rental New Construction	20 years

	Period	Serve Again
Owner Rehab	None	Local option
Homebuyer	5-15 years	Same house/diff. buyer Same buyer/diff. house w/in 1yr. of complete
Rental	5-20 years	W/in 1 yr. of complete assist tenant to buy
TBRA	None	No affordability period

- All correlating information must be provided from the sub-recipient to the designated CD Specialist in order to close the project in IDIS/DRGR.